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ROUND TABLE

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A RADIO DISCUSSION OF

ECONOMIC ISSUES AND 1940

LELAND DE VINNEY · JOHN ISE · NEIL JACOBY

315th BROADCAST IN COOPERATION WITH THE NATIONAL BROADCASTING COMPANY • 103

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ROUND TABLE

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NOTE

The supplementary information contained in the footnotes to the following text, developed by staff research, is not to be considered as representing the opinions of the ROUND TABLE *speakers. Following the transcript of the broadcast are questions which readers may wish to use for analysis and discussion. It is hoped that teachers and discussion leaders may find this additional service of the* ROUND TABLE *transcript helpful in their study of the subject discussed in the broadcast.*

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ECONOMIC ISSUES AND 1940*

A UNIVERSITY OF CHICAGO ROUND TABLE BROADCAST

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LELAND C. DE VINNEY, Instructor in Social Science, University of Chicago

JOHN ISE, Professor of Economics, University of Kansas

NEIL H. JACOBY, Assistant Professor of Finance, University of Chicago

* A radio discussion broadcast from the University of Chicago over the Red Network of the National Broadcasting Company, Sunday, March 3, 1940, at 1:30 P.M., Central Standard Time.

The ROUND TABLE, oldest educational program continuously on the air, is broadcast entirely without a script. Subjects are chosen because of their social, political, or economic significance. The program has no "ax to grind." In the selection of speakers, the effort is to provide a balanced discussion by participants who have special competence and knowledge. The opinion of each speaker is his own and in no way involves the responsibility of either the University of Chicago or the National Broadcasting Company.

ECONOMIC ISSUES AND 1940

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MR. JACOBY: Within a few months the people of the United States will go to the polls to elect a new president.

MR. DE VINNEY: Did you say a *new* president?

MR. JACOBY: No. What I really mean is that they will choose *someone* to be president for the next four years. How soon do you think the public will start getting excited about this?

MR. ISE: I think they are already showing signs of excitement.

MR. JACOBY: There is certainly a lot of discussion about whether or not Mr. Roosevelt will seek the Democratic nomination.

MR. DE VINNEY: That's right, and whether or not he will get it if he does seek it, and whether or not he will be elected if he does get it. But the public is also showing a great deal of interest in the issues to be decided in this election. Everyone wants to know how the way he votes is going to affect his pocketbook, his job, or his profit, as well as other aspects of his own and his country's welfare.

MR. JACOBY: Those are the really important questions, and it is those economic questions that we are going to discuss today on this University of Chicago ROUND TABLE. When the parties take their old platforms out of storage this spring, dust them off, put in some new planks and take out some old planks, we want to discuss what are the real economic issues that should go into the platforms.[1]

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[1] *The Republican National Convention opens in Philadelphia on June 24. The Democratic National Convention will be held in Chicago July 15.*

MR. DE VINNEY: The person that goes to the polls wants to know whether the party platforms are going to assure him that if he has a job he will keep it, or if he doesn't have one that he is going to be able to get one.

MR. JACOBY: The politicians, of course, are going to present these issues in fine, flowing language.

MR. DE VINNEY: What is the farmer concerned about?

MR. ISE: The farmer is concerned about a lot of things: about the price of his products, and also about a lot of other things which I suppose we haven't time to discuss here. The farmer is not in a very good situation in most parts of the Middle West, I should say.

MR. DE VINNEY: Everyone is concerned about whether he is going to have to pay more taxes or less taxes.

MR. JACOBY: And the housewife is concerned about whether she will have to pay higher prices for the things she buys her family.

What will the issues before the people in 1940 be, do you think?

MR. DE VINNEY: We are not going to try to say exactly what the platforms will say about them. All we know about the platforms is that the parties are going to try to get as many votes as they can, and hence antagonize as few people as possible. Underlying these platforms there will be a definite conflict of issues, will there not?

MR. JACOBY: Of course, the platforms will deal not only with the economic issues in the country. The question of the third term and the question of war are going to be dragged into the debate.

MR. ISE: Yes, and those may be almost as important as the domestic issues if the war hangs on for a few more years.

MR. JACOBY: Wouldn't the Democrats like that?

MR. ISE: They might like it in a general way, although the country is definitely pacifist for the present.

MR. JACOBY: The Democrats, it seems to me, will necessarily have to be New Deal in their platform and the Republicans anti-New Deal.

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MR. DE VINNEY: I think that's right. If we are going to be interested today in how the average citizen is going to be influenced in his personal economic interests by the party platforms, I think we shall have to assume that the issues we are to discuss will be New Deal versus anti-New Deal.

MR. JACOBY: If the Democrats are going to be elected, it seems to me it will be by a successful defense of the New Deal. If the Republicans are going to be elected, it will be by a successful attack on the New Deal. What are some of the specific problems that are going to be kicked around in this year of 1940?

MR. DE VINNEY: Certainly a lot of squawking is being done by a lot of people concerning the amount of government spending and the size of the national debt. Why is that so important?[2]

MR. ISE: That seems to me to be a most extraordinary thing because if your budget continues unbalanced and if your debt goes up there doesn't seem to be any way of avoiding inflation.

MR. JACOBY: Which means higher costs of living, perhaps, for the masses.

MR. ISE: Well, yes, a higher cost of living, but I was thinking of the effect on people holding insurance. There is more than one hundred billion dollars worth of insurance outstanding.

MR. DE VINNEY: Suppose I have an insurance policy. What do I care about a balanced budget?

MR. ISE: Because with inflation you might get paid money with which you couldn't buy anything. I think that would be one of the most important aspects in balancing the budget.

MR. DE VINNEY: You mean to say that if I get a five-hundred-dollar insurance payment I can't buy anything with it?

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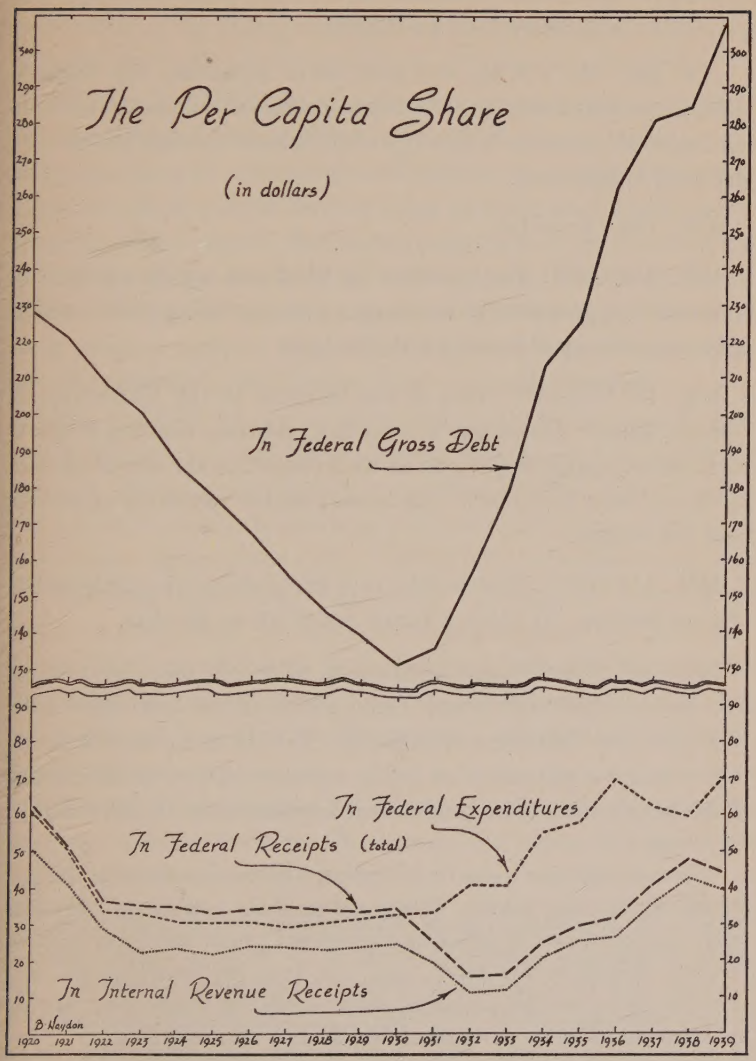
[2] *The graph on page 5 describes the per capita share in the national debt, government expenditures, government receipts, and internal revenue receipts, from 1920 to 1939.*

1920-39


The Per Capita Share
(in dollars)
In Federal Gross Debt
In Federal Expenditures
In Federal Receipts (total)
In Internal Revenue Receipts
B. Heydon
1920 1921 1922 1923 1924 1925 1926 1927 1928 1929 1930 1931 1932 1933 1934 1935 1936 1937 1938 1939

MR. ISE: You might not. You know how that worked out in Germany.[3] It is possible that inflation might destroy much of the value of all outstanding life insurance.

MR. JACOBY: When we talk about balancing the budget, then, we are really thinking about preventing some disastrous events that may occur in the future if we don't start moving toward the balanced budget now.

MR. ISE: Exactly!

MR. JACOBY: The question is, what can we do specifically about cutting government spending, or about raising taxes—which is the second way of balancing the budget?

MR. DE VINNEY: One of the listeners to the University of Chicago ROUND TABLE has written in a question, wanting to know what the campaign is going to do with respect to the size of the tax bill he will have next year. That is one possible way of trying to balance the budget.

MR. JACOBY: That is not a very likely alternative, at least before an election. It takes a brave politician to do that.

MR. ISE: Don't forget, gentlemen, when you talk about taxes, that many of the taxes people complain about are local taxes with which the New Deal has nothing to do. For instance, taxes on property in many of our states are really a greater burden on the masses of the people than taxes government imposes under the New Deal.[4]

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[3] *German inflation began in 1914 when it became necessary to finance the war by printing money. It was not until the summer of 1923 that public consciousness of inflation skyrocketed prices until they reached fantastic heights by December, 1924. In 1924 the "rentenmark" was used for several months as a temporary stabilizing device, and later in the same year Germany returned to gold as a curerncy base.*

[4] *For a fuller discussion of the levels and techniques of taxation see the* ROUND TABLE *broadcast of November 19, 1939, "Taxes."*

MR. JACOBY: Well then, if we can't do much about balancing the budget and cutting down the amount of borrowing the government must do by raising taxes, how about the question of cutting expenditures? That is the second way to balance the budget.

MR. DE VINNEY: That is another very interesting problem, because I notice that—while everybody in general wants to cut down government expenditure and balance the budget—when you begin to look at specific ways of doing that almost everyone starts reneging. For example, the current suggestion of the President for next year's budget contains an item of raising the expenditure on national defense by about five hundred million dollars, and everybody seems to approve that. I don't hear the Republicans or anyone else criticizing that increase in government spending.

MR. JACOBY: I was recently looking at the national budget and it seems to me that there are really only about four important ways of balancing the budget by cutting expense when you get right down to cases. One of them is by reducing our expenditures on armament—on army and navy. Another is by reducing our expenditure on relief by shifting away from a work program for relief toward the direct dole. A third way would be to cut out farm subsidies, which are a big item in the budget.[5] And a fourth one might be to eliminate our purchases of silver. We are buying a lot of that metal and putting it back in the ground. Apparently, it serves no useful purpose.

MR. ISE: I suppose you will have to do that as long as there are fourteen Senators from the silver-producing states, though, won't you?[6]

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[5] *Some $625,000,000 was expended by the Agricultural Adjustment Administration in 1938–39, as benefit and parity payments to farmers. The figures of the Social Security Board show that some $2,500,000,000 was paid to workers in the CCC, WPA, and other federal work and construction projects from July, 1938, to June, 1939, of which sum $1,875,000,000 was under WPA.*

[6] *Chief silver-producing states are Utah, Idaho, Montana, Colorado,*

MR. JACOBY: I hope not.

MR. DE VINNEY: I assume we are not expecting to cut much from government expenditures on the army and navy.

MR. JACOBY: I'll agree with you. I think—with the present state of international affairs and with the present political temper of the American people—we want to arm, and we are not going to effect economies or move toward the balanced budget by cutting our expenditures on the army. That brings up the second major point I mentioned: cutting expense on relief and unemployment. What can be done there?

MR. DE VINNEY: That interests me. Suppose I have a WPA job and am supporting myself and my family on that kind of a job. What will the campaign do to my position?

MR. JACOBY: Well, there are two alternatives here. There is no doubt that government can save a good deal of money, if we are merely looking at the saving, by cutting out the work program—namely, the WPA—and giving a man a direct dole. That is, giving him money at home until he gets a job to support himself.

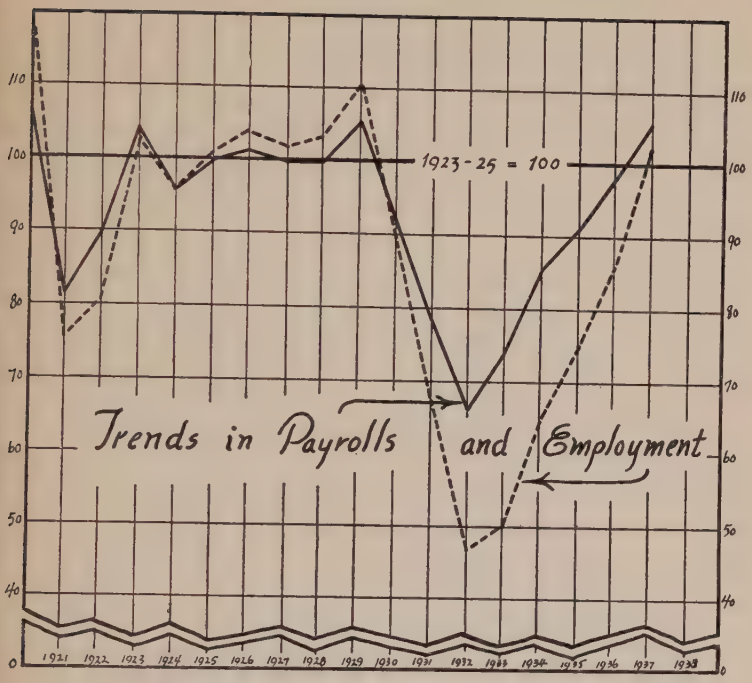
MR. DE VINNEY: If I have a job, on WPA, it would take that job away from me and put me back on direct relief?

MR. JACOBY: That's right, and you can support a man cheaper that way than you can by buying materials and putting him to work building sidewalks or some other project.

MR. ISE: Suppose you put people on doles, wouldn't that cut down demand for a lot of materials that are used in WPA work, and wouldn't that tend toward further deflation?

New Mexico, and Nevada. In 1939 the government acquired more than 194 million dollars worth of silver. Of this total 41.3 million dollars was newly mined and 153 million dollars was obtained under the Silver Purchase Act.

1920-37



SOURCE: BUREAU OF LABOR STATISTICS

MR. JACOBY: The answer to that is this: that if government stops work projects perhaps it will stop competing with private business for materials and labor and it will be easier then to induce private business to buy materials at lower prices.

MR. ISE: They can buy all they want now. That isn't the trouble, is it? There simply isn't any considerable demand for a lot of these materials, and the producers of those materials are suffering greatly, are they not?

MR. JACOBY: And that is because business doesn't feel there is a profit in prospect by undertaking construction work.

MR. DE VINNEY: I think that raises a very important issue that is likely to be central in this campaign. Everyone agrees that we ought to cut government spending—and, apparently, relief is about the only large expenditure that can be cut. There are so many people on relief, or on WPA, that simply cannot be allowed to starve that, apparently, it is necessary to assume that if the government will stop supporting them directly then business will be able to absorb them before there is a justified basis for cutting relief.

MR. JACOBY: I would rather state the issue this way—that the big question before the American voter in 1940 is this: Are people more likely to get off the dole and into private jobs, or are they more likely to get off government work projects into private jobs?

MR. ISE: You are not thinking—are you?—enough of the situation of the people themselves. It is all right for a man on a dole. He'd be glad to get a job—perhaps more anxious to get a job than a man who has some sort of WPA employment.[7]

MR. JACOBY: We want to get them private jobs, though.

MR. ISE: Everybody wants to, but the point is: suppose you put them on the dole, haven't you the possibility of disintegration of human character that you don't have with the man who has some kind of a job?

MR. JACOBY: That's another debatable point, of course. It might be argued that "make-work projects"—that is, WPA projects—that are merely started for the obvious purpose of giving people employment—some of them none too useful—do not preserve morale any better than the direct dole.

MR. DE VINNEY: I agree with Ise, that there are serious social costs involved by taking large numbers of people out of jobs where they are earning a living and putting them on direct relief.

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[7] *In its broadcast of July 16, 1939, the* ROUND TABLE *discussed the topic "Relief and the WPA." One of the participants on that program was Howard Hunter, Deputy Administrator of the WPA.*

MR. ISE: Pardon me! I was through Kansas a few months ago and I saw a good many schoolhouses—PWA projects—that they had started some time ago. That was about all the building I saw on a several-hundred-mile trip. I could not help wondering what would happen if they stopped that. Also I haven't been able to see why it would not be a fine thing if we had something to show for our work as we did under the PWA. Isn't that the real tragedy: they shifted from the PWA to WPA?[8]

MR. JACOBY: You have stated some good arguments in favor of continuing a program of work relief instead of direct relief. That still leaves this question, which again I say must be faced by the American voter: whether or not you are going to get these people back into private jobs, which is the goal we all seek, by having direct relief instead of having a work relief program.

MR. DE VINNEY: That is closely related to another issue that it seems to me is central here. That is the notion that if government would get off the back of business and quit hounding and worrying the businessman—and quit taxing him so hard—that he would greatly expand his activities through new investment and re-employ all these people that are now on WPA or relief, and the country would be better off because more would be produced.

MR. JACOBY: Yes, another basic economic issue in 1940 is this attitude toward business. It seems to me that the New Deal lacks a certain confidence in private enterprise making the machine work. They feel that somehow our whole growth is slowed down and it is necessary to get the government in the investment and spending business in order to make the machine work and prevent us from permanently going along in low gear.

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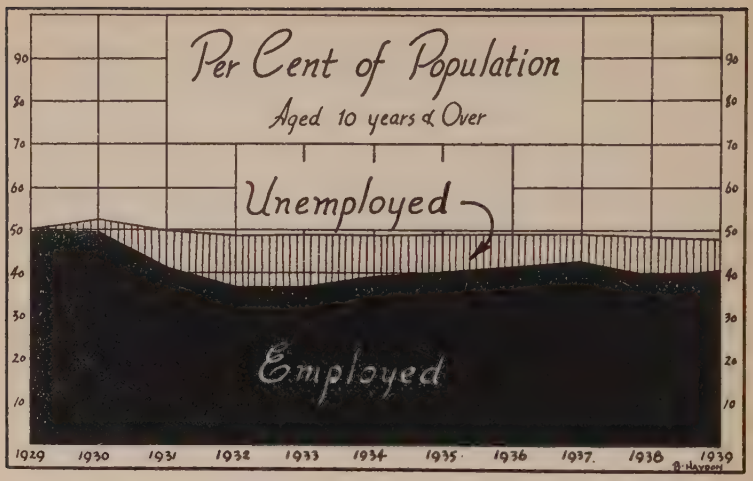
[8] *The PWA (Public Works Administration) is a part of the new Federal Works Agency set up last year under the Reorganization Act. As of September 1, 1939, the PWA had completed some 30,000 projects costing just over one billion dollars and was working on 4,500 others expected to cost $1,885,000,000.*



MR. ISE: There is some justification for that, is there not? A couple of years ago they began to cut down their spending in response to this cry for economy. The next thing we had was a fairly well-developed little depression on our hands. Really, the country lost in income a lot more than it gained from the amount of reduction in the taxes.

MR. JACOBY: I don't think it is fair to say that the depression of 1937–38 came along just because government cut spending. It seems to me that government should have followed a policy of getting rid of prices that don't go up and down; that is, produced more flexibility and movement in prices and taken away some of the policies that tended to keep business costs high. For instance, the bituminous coal act makes coal more expensive and more costly to manufacture goods. That cuts down profit margin for business.

MR. ISE: That trouble with prices that are held high by monopolies is something we have always had with us, is it not?

MR. JACOBY: Isn't the solution to attack those prices directly?

MR. ISE: The solution is to attack, but I think I sense in what

you say there the suggestion that the Republicans—who depended for campaign contributions upon Joe Grundy and Mr. Mellon—are going out now on a very savage attack on monopoly. I can't visualize that, really.[9]

MR. DE VINNEY: Gentlemen, you are getting into a very important issue here: that the way to get recovery is to get a general fall in prices so that with falling prices business can expand again. If you get that down to specifics, the way that it affects any individual citizen is this: a general fall in wages. The laborers will have to take a cut so that you can reduce cost of production.

MR. JACOBY: I'd qualify that. I don't think anyone argues for a general fall in wage rates. There are some trades, and unskilled labor, where the people are pretty fully employed. You would only be justified in asking for a cut in the wage rate in cases where a large number of the members of the union are unemployed. What you are seeking to do is to increase the total volume of income that goes to the whole labor union by employing more people.

MR. DE VINNEY: Isn't it true that one of the conflicts between the two major parties is this: that, in general, the traditional attitude of the Republican party has been not to attack but actually to re-enforce the ability of organized businessmen—whenever business became bad—to cut production and keep their prices up, and that, in general, farmers and laborers have been less able to cut their production and keep their prices up?

MR. ISE: You take the farmers, for instance, buying their machinery. The farmers have told me that they pay more for agricultural implements today then they did in 1920.

MR. JACOBY: That may be true, and certainly I could not, as an economist, hold any brief for the efforts of the Republican party

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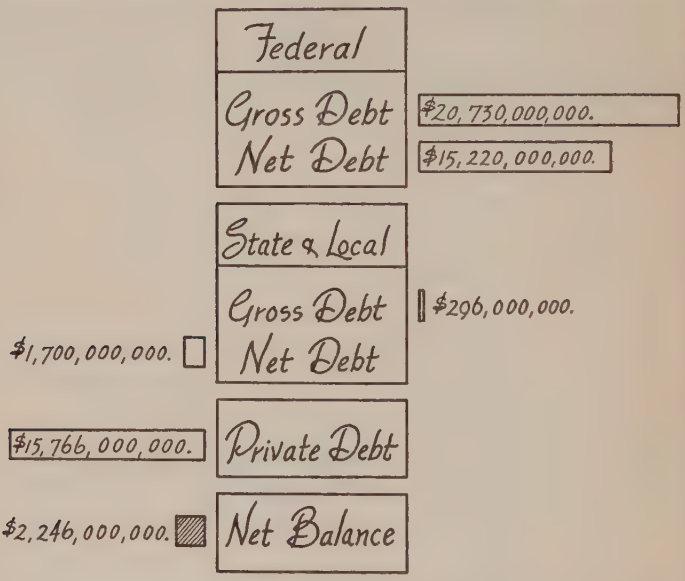
[9] *Andrew Mellon, late secretary of the Treasury, and Joseph Grundy, former Senator, were Republican leaders in Pennsylvania in the early 1930's.*

TWO WAYS OI

". . . . the total debt of all of the people of the United States—private debt, state and local government debts, and the debt of the Federal Government, was less in 1939 than it was in 1932."

—Franklin Delano Roosevelt
Speech, February 10, 1940

NET INTEREST-BEARING PUBLIC AND PRIVATE DEBT



in past administrations in not attacking prices that remain high. We must eliminate monopoly, but the answer is not to create new monopolies and new price-fixing measures in the field of agriculture. For instance, your present agricultural administration seeks to have the farmer cut down production and keep agricultural prices high. That makes food as well as labor more costly.

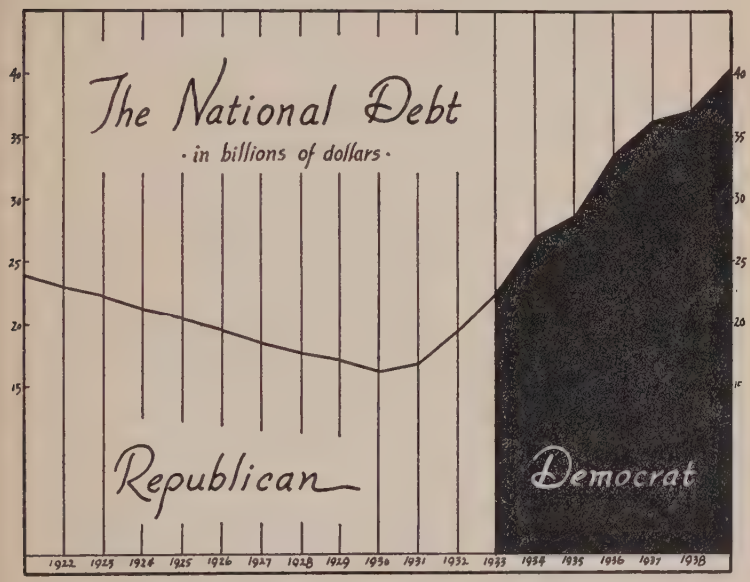
MR. DE VINNEY: Ise, you are from Kansas—what do you

KING AT DEBTS

". . . . national debt doubled by the end of 1939—increased from less than 21 billions at the beginning of the New Deal administration to approximately 42 billion dollars, not including nearly 6 billion dollars of obligations guaranteed by the federal government."

—"A Program for a Dynamic America"
Report of Republican Program Committee

A LOOK AT THE BALANCE SHEET—NATIONAL DEBT



think the farmers in Kansas would say about a program to get us out of the depression by letting farm prices fall as low as they will fall without being given government support?

MR. ISE: That's a problem that I think might well be faced all right. The farmers know that they have too much stuff there, that they are producing too much stuff. But suppose you did that and

said, "We are going to crowd them out, we will let them starve out. . . . ." I believe Hoover suggested that once.

MR. JACOBY: No one suggests that today.

MR. ISE: Then where will they go? Go into the cities where you have ten million unemployed already? Or go out to California?

MR. JACOBY: Wasn't there a man from your state of Kansas by the name of Landon, Ise? What was his farm program?

MR. ISE: His farm program was New Deal, pretty largely, only I believe he thought the Republicans would administer it better.

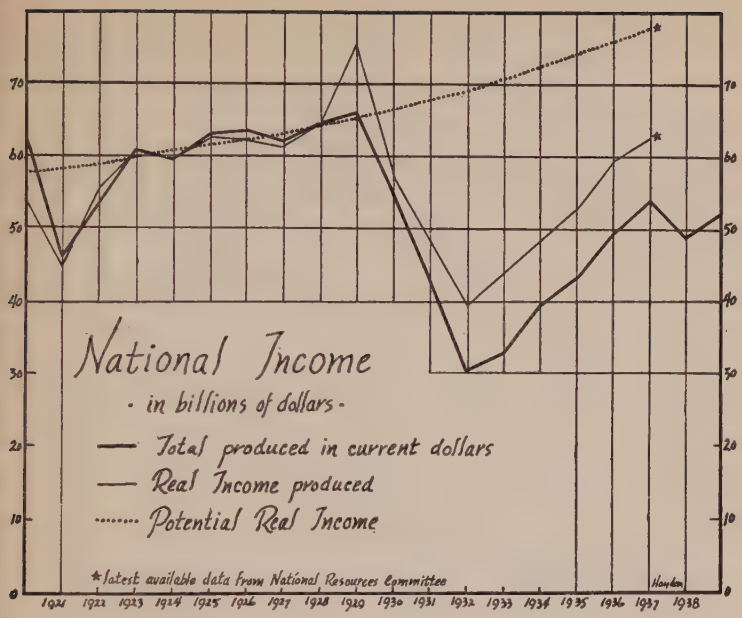
MR. JACOBY: Isn't the real solution for the farm problem to get larger markets for the farmer's produce?

MR. ISE: Yes, through a high tariff, no doubt, because that has been the Republican strategy all the time.

MR. DE VINNEY: It strikes me that, before we consider this new question, it is important to state what is rather central to this whole conflict of point of view about getting prices to fall and achieving spontaneous business recovery through fall in prices. That is, that the Democrats have tended to follow a contradictory position. Because, traditionally, businessmen have been able themselves to keep their prices high and in some sense to exploit farmers and laborers in doing so, the New Deal has been inclined to enable farmers and laborers to organize and keep their prices up—to create monopoly in farm products and in labor to match monopoly in business.

MR. JACOBY: With the net result that we have had higher prices all around. Everybody picking everybody else's pocket and a lot of people unemployed.

MR. DE VINNEY: With the other hand the New Deal has attacked business monopoly—maintenance of high prices by business itself—in two ways at least: the direct attack upon monopoly which, as you are well aware, is already beginning to get at some of the



prices which have been held high; and in the attempt to break down tariff barriers to expand trade.[10]

MR. JACOBY: I say more power to the New Deal in both of those endeavors, although I can't help recalling that a lot of our trust-busting, anti-monopoly activities took place back in the days of "Teddy" Roosevelt.

MR. DE VINNEY: And then stopped until the time of the New Deal.

MR. ISE: It seems to me, as I visualize your position, it is the Republican position to some extent. It's fine to have the manufacturers making good profits through monopolization and it would

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[10] *The trade agreements program of Secretary of State Cordell Hull was discussed on the* ROUND TABLE *broadcast February 18, 1940, "Are Tariff Walls Blockading America?"*

make it better, perhaps, to have the farmer selling in a market where you have such low competition, as long as the farmers are contented with that. But they won't be contented with that and I don't see why they should be.

MR. JACOBY: But sometime we must approach that farm problem in a fundamental way, must we not, by getting markets for the farmer?

MR. ISE: Treat them all alike. Let's have competition throughout or monopoly throughout.

MR. JACOBY: Correct! We have tried to outline a few of the real issues that the voters must face in 1940: the question of government spending and the budget, the question of how we should handle relief, the question of our attitude toward business, and the prices of business, the labor problem, and finally the farm problem. The next thing we might well discuss, I think, is how all the parties stand on these issues.

MR. DE VINNEY: Suppose we begin with government spending and balancing the budget. Jacoby, what do you think the Republican position is going to be?

MR. JACOBY: A day or two ago I read through the program of the Republican National Committee which was prepared by Mr. Frank and his associates. I must say they faced some of these issues very *frankly*.[11]

MR. DE VINNEY: I've listened to this program for ten years and I have never heard as bad a pun!

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[11] *The "Republican Program Committee," composed of some 200 persons appointed by the Executive Committee of the Republican National Committee, was set up in November, 1937. It operated in 1938 and 1939 under the chairmanship of Dr. Glenn Frank, former President of the University of Wisconsin, and its recommendations on Republican policy for 1930 were made in a report to the National Committee dated February 16, 1940.*

MR. JACOBY: Perhaps so. I mean to say that the Republican platform attacks government spending and they say we must have economy but they are distressingly vague as to the specific ways of achieving these economies. The only point at which I was able to see that they had made some progress toward economy, if it is progress, was in connection with relief. They do want to shift to a system of direct relief—that is, giving people grants of money instead of work—because that is a cheaper way of handling the unemployed.

MR. DE VINNEY: What will be the Democrats' position, Ise?

MR. ISE: They want to throw more of the burden on the poor fellows, as near as I can figure it out: cut on relief without regard to what the reliefers want. I am not sure that that is a reasonable thing. I think the Democrats, perhaps, have something to be said for their position in saying that here is a serious situation, let's all bear part of the burden of it.

MR. JACOBY: I wonder what the Communist and Socialist Parties would do about this? I imagine their position would be th New Deal, but more of it.

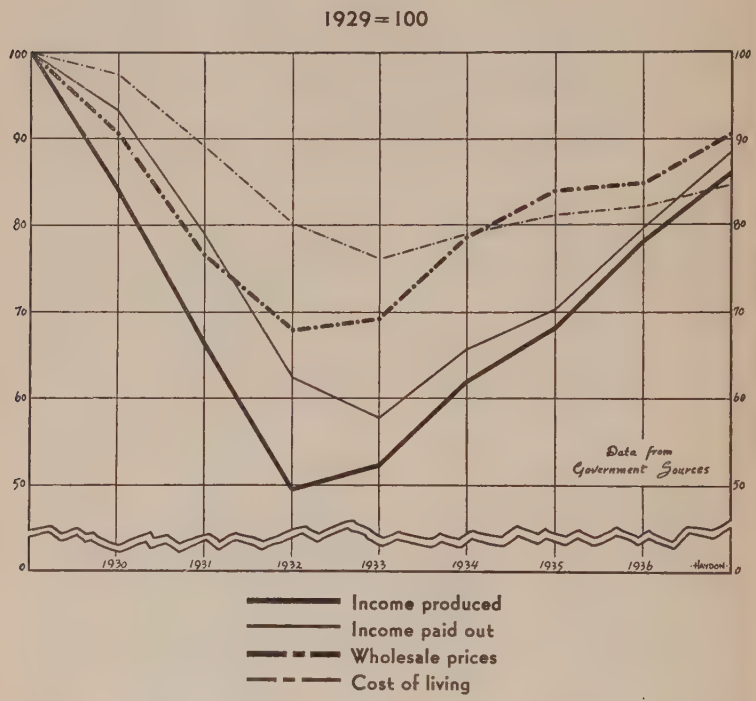
MR. ISE: Put the Communists and Socialists in jail. That is the general American policy, so you don't need to worry.

MR. DE VINNEY: I would object to putting the Communists and Socialists in jail. I think it is true that we all recognize that, as far as the campaign is going to affect the future of the country in 1940, the real issues are those between the Republicans and the Democrats, and for that reason we will confine our discussion to that level. What will be the Democratic position in terms of spending and the budget, Ise?

MR. ISE: I think the Democrats would like to see the budget balanced and would like to cut out spending if it could be done without a business recession or injustice to any particular group.

MR. DE VINNEY: What about the attitude toward business in general? What would the Republicans say about that, Jacoby?

INCOME · LIVING COSTS · PRICES 1929-37



MR. JACOBY: Republicans say that business has been attacked, overregulated, overtaxed, has had its costs raised by burdensome taxes, and has been competed with by government. They want to restore confidence in the minds of businessmen that taxes are not going up; that a minimum of regulation will occur. Of course, that is what they say, but what they are actually going to do about it if they are elected is another thing.

MR. DE VINNEY: What do you think the Democrats will have to say on that subject, Ise?

MR. ISE: The Democrats are going to be more friendly to business. I think they are more friendly. As a matter of fact I think you would expect both parties to be more and more friendly to everybody as the campaign goes on.

MR. DE VINNEY: You don't expect this to be any very fundamental issue?

MR. ISE: Oh, yes. The Republicans will use it, anyhow. I confess I don't see so much reason for it. That is to say, business has not been burdened any more than anybody else has been burdened during this depression.

MR. JACOBY: Its profits have been cut down and they haven't employed as many people.

MR. ISE: That's true, but Kansas people have had some burdens, too, and the farmers and the laborers have borne a lot of that burden. I don't think you could say that the New Dealers have burdened business any more than the other classes.

MR. DE VINNEY: What do you think the Republican position will be with respect to labor, Jacoby?

MR. JACOBY: The Republicans seem to think that labor has the power to bargain collectively. They would not throw the National Labor Relations Act out the window. They do propose that the National Labor Relations Board—which has so far been functioning as judge, jury, and lawyer on labor disputes—ought to have its administrative functions separated from its judicial functions so that you would have a separate body deciding what was fair on labor disputes.

MR. ISE: The Democrats have always been more favorable to labor and I think they will continue to be. I don't think Jacoby gave that Republican position correctly. He is talking about Frank's program, which the Republicans won't adopt. The truth is undoubtedly that a very large class of the Republicans will want to scrap the Labor Board. I haven't any doubt of that. Have you really, Jacoby?

MR. JACOBY: It is questionable, of course, whether the program that was gotten out by the Program Committee of the Republican party will actually represent its platform when the convention meets.

MR. ISE: The Republicans will be after labor unions to some extent.

MR. JACOBY: I doubt it. I doubt if it would be politically expedient for any political party to be against labor unions.

MR. ISE: I mean that underneath you would have to admit that they are hostile to labor unions.

MR. JACOBY: I wouldn't admit that.

MR. DE VINNEY: What about the farm program? Are the Republicans going to take a position on that?

MR. JACOBY: Here again it would seem to me that the Republican party, in its program that I referred to a minute ago, has outlined very clearly what the trouble is with the farmer. That is, we have an overexpanded industry producing too much and we must somehow cut down farm output in this country. We must find markets for what is produced. But when it comes right down to cases they propose to do the same thing the New Deal is doing. They want to cut down farm acreage by government leasing of land to take it out of production, and they want to pay the farmers a direct, frank, open subsidy.

MR. ISE: Exactly the same as the New Deal.

MR. DE VINNEY: Finally, what about trade agreements?

MR. JACOBY: Congress should make the trade agreements, according to the Republican report, and not the President; that is, they want to take the power away from the President.

MR. ISE: Yes, they would like to take that out of the hands of Hull and put it in the hands of Congress. Congress handled that for some sixty-five years, and you will have to say it was a bully job they did drawing up tariffs, wouldn't you?

MR. DE VINNEY: In other words, there would be no trade agreements.

MR. ISE: There would be no trade agreements. They want the old tariffs.

MR. DE VINNEY: What other major conflicts do you see?

MR. JACOBY: I think the difference in relief policies is one of the big conflicts. There are a good many others we might discuss. The Republicans want direct relief and the Democrats will probably continue the WPA—the work program.

MR. ISE: I think they will agree on a lot. Both of them dislike the unbalanced budget, but I have no doubt the Republicans dislike it more than the Democrats do. They will both concede that people must not starve, but the Democrats will feed the unemployed, maybe, a little better than the Republicans.

MR. JACOBY: What do you think will be the real effects of the election on our policy?

MR. DE VINNEY: I think we can agree that the parties will actually overemphasize and exaggerate at the verbal level differences which in real policy will be very much the same.

MR. JACOBY: We can only hope that the parties will frankly deal with *real* economic issues so that the American people will not have to choose next November between Tweedle-Dum and Tweedle-Dee. We can only hope, I think, that our economic policy after 1940 will be such that our ten million unemployed will get back to work and the standard of living of all of us during the next four years will be somewhat higher than in the last four years. Let's demand—don't you think we should, De Vinney?—that our political parties raise the *real* questions and answer them in frank, open, terms.

MR. DE VINNEY: That certainly would point out a number of the fundamental contradictions within the points of view of these parties.

MR. JACOBY: What we can expect as the American economic plan after 1940 is yet in the lap of the gods.

QUESTIONS FOR ANALYSIS AND DISCUSSION

The following questions of wider scope, intended for discussion, are suggested by the broadcast, and answers may be found in the literature on the subject listed in the section "Suggested Readings," found on page 26.

*

1. Do you feel that the major political parties will discuss what you consider to be the real, fundamental issues of the campaign? What forces might keep them from taking stands on important economic problems?

2. What do you believe will be the Republican and Democratic policies on:

   a) Relief and social security
   b) Labor
   c) Agriculture
   d) Taxation
   e) Government spending and budgetary policy
   f) Monopoly

3. "I think they (the Republicans and Democrats) will agree on a lot of issues." Do you agree with this statement? Applying it to the economic problems to be discussed in the 1940 campaign, do you think there are more points on which the parties agree than on which they disagree?

4. Discuss the relative merits of raising taxes and cutting expenditures as ways of balancing the federal budget. If taxes are to be raised to a figure at which revenue coming in to the government will equal expenditures going out, what taxes do you think ought to be increased? If, on the other hand, expenditures are to be cut, what government activities should be curtailed or eliminated? Do you believe a balanced budget could be obtained today (or in a year, or in five years), considering the *political* difficulties involved in raising taxes or in cutting off certain government services?

5. Despite what the political parties may say, how would *you* decide these two problems of relief:

a) State and local administration versus federal administration

b) Work relief (WPA, etc.) versus direct cash payments

6. How do you believe your economic condition will be affected by the result of the 1940 election?

OBJECTIVE QUESTIONS FOR EXAMINATION

The answers to the following questions may be found in the text of the broadcast, and page references are provided to assist in locating the answers.

*

1. What question of economic policy is likely to be the fundamental issue of the 1940 campaign? Page 4.

2. What major tax, *not* levied by the federal government, contributes the largest share of revenue to the states? Page 6.

3. What four ways of reducing government expenditures are suggested by the speakers? Page 7.

4. It is generally agreed that one item of government expenditure will be increased this year. What is it? How much of an increase has been proposed? Page 8.

5. What shift in relief "technique" might result in cutting federal government expenditures? Pages 10–11.

6. Define a "make-work project." Page 10.

7. In what two ways is monopoly being attacked by the present administration? Pages 16–17.

8. How do the participants summarize the party positions on government's relation to business? Pages 20–21.

9. How do the parties differ, according to the speakers, in labor policy? Page 21.

SUGGESTED READINGS

"A Program for a Dynamic America," *the report of the Republican Program Committee submitted by Glenn Frank, February 16, 1940. May be obtained from the Republican National Committee, 718 Jackson Place, N.W., Washington, D.C.*

BARTON, BRUCE, "You and the Next Administration," *Colliers*, August 12, 1939. *A Republican writes on spending, economic policy, and the program of the GOP if successful in 1940.*

CRAWFORD, KENNETH G., "War and the Election," *Nation*, February 10, 1940. *An analysis of the economic background of the 1940 campaign, with particular reference to the effect of the European war on America's economic system.*

MARTIN, JOSEPH W., "Let Us Now Go Forward," *Vital Speeches*, June 1, 1939. *The leader of the Republican minority in the House of Representatives discusses America's economic policy for the future.*

MCNUTT, PAUL V., "If the Republicans Win," *American Mercury*, March, 1940. *Mr. Roosevelt's Social Security Administrator examines the possibility of Republican victory next November and what it would mean to America.*

ROOSEVELT, FRANKLIN D., "The New Deal Must Continue," *Vital Speeches*, June 1, 1939.

VANDENBERG, ARTHUR H., "The New Deal Must Be Salvaged," *American Mercury*, January, 1940. *Michigan's senior Senator, a leading Republican presidential possibility, suggests what the GOP may keep of the New Deal program if the Republicans win the election.*

The Listeners' Round Table . . . .

Letters to the ROUND TABLE *frequently contain sidelights on the subject matter discussed on the air. These comments are from letters received following the broadcast discussion of "War Myths," February 24.*

*

Con Il Fuoco

Your ROUND TABLE makes a great mistake. . . . . If England wants peace she must free her colonies. . . . . England as well as France must be destroyed—I say destroyed with German and Italian fury.[12]

*

Pro-German

That ROUND TABLE talk today was about as pro-German as anything that I have heard for some time. If you should ask me I didn't like it.

J. W. D., North Dakota

*

Expert?

Yesterday's discussion of who will probably win the war suggests the query, when is an expert an expert? To say that there is no basis for conflict between Italy and Russia would seem to fly in the face of current reports anent the Balkans. The *New York Times* has daily authoritative accounts from southeastern Europe indicating plenty of possibilities of trouble there and Italy has a very definite concern. This aspect was altogether too much neglected in the ROUND TABLE.

While it was conceived that Germany might win the war no basis for such a belief was presented that seems to meet certain fundamental inadequacies on her part: essential raw materials and transport shortcomings in particular. Russia does not seem to meet her problem here. If she is to win the war, how can she do this without control of both air and sea. Is she likely to win either? She surely hasn't it now. Is the accession of Russia on her side more important than such aid as is available to the Allies from their overseas dominions plus such American aid as is likely to be forthcoming? These factors were not evaluated. The conclusion may be stalemate but a German victory is not so far indicated.

L. A. C., Michigan

*

Hold the Bag

Let's not forget that Britain and France are not so democratic as one may think. They are also based on imperialism and are ready for a downfall again. We of course will come to their rescue and hold the bag again. There must be a change somewhere but it is hard to tell for whose benefit it will be. If the war lords win then we are doomed.

W. B., Massachusetts

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[12] *Freely translated from Italian* [ED.].

England

As a merchant seaman I have spent the last five years in Europe.

In my opinion the invasion of Czechoslovakia and Poland by Germany was not the actual reason for the present conflict, but instead the actual reason for it is and was the fact that Great Britain's control and power of her own people and colonies was slipping away from her.

From actual observation and contact with the average Englishman in England I found that they are not in accord with the powers that be in England. This opinion will be borne out when you observe the heckling of Chamberlain's speeches. Naturally the English government and control will say that these hecklers are communists, crack-pots, etc., but when you examine these hecklers you will find that they are actually just plain, ordinary, everyday Englishmen who want peace.

To sum it all up, the sooner our country and the other neutrals take a definite stand and convince England that they are not going to get into the war, the quicker peace will be restored.

C. H. F., Oregon

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72. *The Line-up for 1940*
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75. *Did Congress Revolt?*
76. *Europe on the Verge.* August 27
77. *War Comes.* September 3
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SUGGESTED READINGS

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DEWEY, THOMAS E., "Defeatism Must Go," *Vital Speeches,* December 15, 1939.

"The U.S. Frontier," *Fortune,* February, 1940.

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